



Procurement News - Near and FAR

Volume II, No. 4

November/December 1997

Introduction

Welcome to the November/December edition of Treasury's Procurement News - Near and **FAR**. This issue highlights Bob Welch's farewell, a message from our new Departmental Advocate for Competition, Summary of the Part 15 Rewrite, and Bureau Highlights.

The editor for the next newsletter will be Terri Toplisek, and the deadline for submission of articles is January 9, 1998. Proposed articles as well as comments or suggestions regarding this newsletter can be provided to Terri at (202)622-1241 or "terri.toplisek @ treas.sprint.com."

INSIDE

TREASURY NOTES	1
MESSAGE FROM DEPT'L	
COMPETITION ADVOCATE	2
POLICY CORNER	2
PURCHASE CARD	
PROGRAM	2
COTR HANDBOOK	2
BUREAU HIGHLIGHTS	3
CONTRACTING VACANCIES	5

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TREASURY NOTES

by Robert A. Welch



FOR THE TREASURY PROCUREMENT FAMILY

I reported in our last edition of the newsletter that I was writing an article entitled *The Procurement Manager of the Future*.

It is attached. It will be published in a future issue of NCMA's Contract Management magazine and possibly in the National Association of Purchasing Management's monthly journal.

As many of you know, I have accepted a position at the Department of Commerce where I will continue in the position of Procurement Executive. My

principal reason for this move is the relationship I have with Scott Gould who was recently confirmed as the Assistant Secretary for Administration and CFO. After three years of working together, Scott and I have developed what I consider to be the perfect relationship between a boss and employee and an appointed official and a career senior executive. We trust each other. We respect each other. We are honest with each other. We both believe in public service. Our unique skills and abilities complement each other so that anything we do together comes out better than anything we would do separately.

Scott has assured me that he will fully support my initiatives to move the Commerce procurement program into the world class program my article envisions.

Many of the ideas contained in this article came from you and our experiences together over the last few years. I have learned much

from you and I hope that I have helped you "think outside the box" and develop new skills as you have helped me. We have accomplished much together...far too many initiatives and successes to even begin to mention here.

So let me just say thank you. You are a great group of professionals and our achievements and results have blown away the competition in all of the other administrative management functions.

At Commerce, I'm going to do what this article says. I hope that you will too.

Good luck and warm regards.

A Message from Our Departmental Advocate for Competition

by Marion Palaza

Hello, I would like to take this opportunity to introduce myself. I am Marion Palaza, the newly designated Competition Advocate for the Department. As the Competition Advocate, some of my duties and responsibilities will be to:

- promote full and open competition and challenge barriers to competition;
- review bureau procurement activities;
- identify and report to the Department's Senior Procurement Executive opportunities and actions taken to achieve full and open competition and any condition or action that restricts competition;
- prepare and transmit to the Senior Procurement Executive an annual Competition Advocacy Report describing activities taken to promote competition, new initiatives to increase competition and any barriers to full and open competition that remain;
- recommend to the Senior Procurement Executive the Department's goals and plans for promoting competition on fiscal year basis;
- review all JOFOCs to assure that the justification is properly documented properly prior to submission to the Senior Procurement Executive for approval;
- recommend to the Senior Procurement Executive a system of personal and organizational accountability for competition; and
- describe other ways in which Treasury has emphasized competition in programs for procurement training and research.

Over the past years, the Department has maintained a high

competition rate, 90% or better. Our challenge will be to continue this impressive competition rate. I look forward to working with you and providing assistance wherever I can to continue the progress the Department has made in competitive contracting. If you have any questions, my telephone number is (202)622-0814 or my E-Mail is: marion.palaza@treas.sprint.com.

POLICY CORNER

Purchase Card Program

by Martha Lanigan



GSA held a meeting for agencies

on October 23 to advise the status of the recompete for card services. The meeting was very informative and the following schedule was announced: proposals due - October 28; oral presentations - November 1997; contracts awarded - February 1998; and kick-off conference - February 23 - 25, 1998.

The Deputy Chief Financial Officer, Steve App, notified GSA that Treasury will submit one task order per requirement (purchase, travel, and fleet) for services under the new contract. Based on information from the October 23rd meeting, the Department may want to pool our requirements with those of other agencies to get the best contractor price and service.

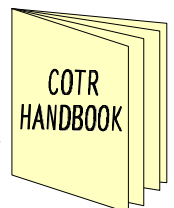
Some bureaus have asked recently about using the purchase card for maintenance agreements where payment would be made on a monthly or annual basis, and could be made in advance of receipt of the service. There is no restriction on this use in FAR part 13.106.1 which covers purchases below the micro-purchase threshold. Many agencies use the card for this purpose and it is well within the guidelines of the Treasury Directive 76-04. The prohibition on advance payments in FAR 32.4 is on contracts, not micro-purchases, and therefore would not apply.

Bureau of Alcohol, Tobacco and Firearms is on the brink of conversion to the I.M.P.A.C. commercial platform. We will all be interested in finding out how they like this system.

Revised COTR Handbook Released

by Terri Toplisek

The September 1997 second edition of the *Contracting Officer's Technical Representatives Handbook* has been



distributed to all bureaus. This second edition replaces the original edition that was published in January 1991. If you require additional copies, please contact Terri Toplisek at (202)622-1241.

Jeanette Biddinger, BPD, led the team effort to revise the Handbook, and was assisted by John Roberts, IRS; and Terri Toplisek, Office of Procurement. Special thanks to Jeanette and John, as their expertise was vital in identifying the necessary changes and incorporating the review comments.

Since we will periodically update the Handbook, bureaus are advised to maintain a list of the individuals who received the second edition to ensure that they are provided with any updates. The format is loose-leaf to accommodate updates.

We urge contracting personnel and COTRs to carefully review the new Handbook. It contains substantial revisions.

PART 15 REWRITE

by Frances Sullivan

The source selection process should be faster and cheaper now that the FAR Part 15 Rewrite is complete. The changes are currently posted at <http://www.arnet.gov/far/FAC/FACs.html> and soon will be distributed as FAC 97-02.

A few highlights from the new FAR Part 15:

More flexibility in Clarifications.

Contracting officers can now resolve minor or clerical errors, and clarify certain aspects of the proposal (e.g., past performance information) when an award will be made without discussions.

Smaller competitive ranges.

After the initial evaluation of all proposals, the "most highly rated proposals" will be included in the competitive range. In addition, contracting officers may further limit the competitive range for purposes of efficiency. These changes replace the traditional competitive range standard of "reasonable chance of being selected for award" and will result in smaller competitive ranges.

Communications with selected offerors before competitive range.

Contracting Officers can now talk to certain offerors about the perceived deficiencies, weaknesses, errors or omissions

in their proposals before making a competitive range determination. The results of these communications can be used in proposal evaluation, and should result in more informed competitive range determinations. However, the contracting officer may only hold communications with those offerors who are neither clearly in nor clearly out of the competitive range, and must hold communications with any offeror whose past performance is the determining factor preventing its inclusion in the competitive range. Offerors may not revise their proposals during communications.

Aggressive Discussions.

The new FAR coverage characterizes "discussions" as negotiations conducted in a competitive environment, and envisions a discussions process similar to aggressive sole source negotiations. During discussions, contracting officers must disclose to each offeror the significant weaknesses, deficiencies and other issues that could affect the proposal's potential for award. Contracting officers may also negotiate for increased performance beyond mandatory minimums, or negotiate out performance "excesses", in order to make the proposal more competitive. The new coverage also encourages more robust discussions by replacing "Best and Final Offers" with iterative "proposal revisions" and eliminating the prohibition on technical leveling.

The FAR Part 15 changes are available for use now, but become mandatory for solicitations issued after 1 January 1998. TAI is offering a 2-day workshop to cover the changes and answer questions. Space is still available in the classes scheduled for December 5-8, December 17-18, and January 5-6, 7-8, 20-21, 26-27 and 28-29. Register for class by contacting Sylvia Ball at (202) 283-1675 (voice) or at Sylvia.Ball@ccmail.irs.gov (e-mail).

Federal Acquisition Regulation Update

by Angelie Jackson

FAC 97-01 was issued on August 22, 1997. Subject areas include Business Process Innovation; FASA and Walsh-Healy Public Contracts Act; Irrevocable Letters of Credit and Alternatives to Miller Act; Automatic Data Processing Equipment Leasing Costs; Environmentally Sound Products; New FAR Certifications; Service Contracting; ADP/Telecommunications Federal Supply Schedules; Certificate of Competency; Economically Disadvantaged Individuals; Minority Small Business and Capital Ownership; Executive Order 12933, Nondisplacement of Qualified Workers Under Certain Contracts; Designation of

Hong Kong; Foreign differential Pay, Local Government Lobbying Costs; Independent Government Estimates--Construction; Year 2000 Compliance; and Modification of Existing Contracts Under FASA and FARA.

Procurement Instruction Memorandum (PIM) Update *Angelie Jackson*

PIM 98-01, GSBICA Memorandum of Understanding (MOU), was issued on 10/21/97. It provides information on Treasury's relationship to the General Services Board of Contract Appeals. The GSBICA serves as Treasury's Board of Contract Appeals.

In the past, the Department has had problems paying the GSBICA for services rendered under the MOU, since bureau finance offices were often not aware of the document. This PIM directs the bureaus to enter into an interagency agreement with the GSBICA directly (effective 11/17/97).

Internet News

by Angelie Jackson

Office of Procurement Home Page

We are still working diligently towards developing an OP home page. We have a "straw man" document, and we are "fine-tuning" it. Our goal is to provide a user-friendly page that provides regulation, guidance, handbooks, newsletters and other items of interest issued by this office. We will also provide invaluable links to other home pages (for example, the Treasury Acquisition Institute. Hopefully, our page will be available by late November/early December.

FYI - FAR Search Sites

Air Force FAR Site at <http://farsite.hill.af.mil/>

NASA's Acquisition Internet Service (NAIS) Site at <http://procurement.nasa.gov/index.html>



Highlights

BUREAU

BCPO SHARES WORK EXPERIENCE

by Orlando Yaconis, BPD

As Bureau Chief Procurement Officer for Public Debt, Orlando directs the procurement of all supplies and services needed to support Public Debt in its mission.

Orlando has been with Public Debt for all of his 18 years of government service. He has served as Public Debt's Chief Procurement Officer since June 1996. Prior to his arrival in the procurement operation, he worked in a variety of positions, most recently as the Director of Administrative Services where he had responsibility for a variety of programs including facilities management, security, printing and graphics, and property management.

Orlando looks forward to the challenge of his new responsibilities. He is working with his staff to eliminate unnecessary steps in the procurement process with an eye toward streamlining the process and providing the most effective service to customers.

In Fiscal Year 1996, Public Debt entered the franchising arena by offering a wide range of administrative services to other government agencies through reimbursable service agreements. Franchising has increased Public Debt's procurement workload considerably in both contracting and simplified acquisitions. This has been an interesting venture for the procurement staff in that the customers present a variety of actions, many of which vary greatly from Public Debt generated work. In addition, the cross-servicing enterprise has challenged the procurement function to continue to look for ways to improve internal processes to provide high-quality service for all customers.

Treasury Distributed Processing Infrastructure

by Keith Holman, IRS

Treasury Distributed Processing Infrastructure, (TPDI) represents a new way of doing business and acquiring Information Technology for Treasury agencies and the Federal government. All Treasury bureaus, including the IRS, can use the TDPI vehicle.

The products available under TDPI include Sun (Unix) and Windows NT based servers, workstations and notebook computers. Included are printers and other peripherals for the production network. A variety of communications hardware from Cisco, 3Com, Bay Networks and Cabletron, along with DBMS products from Sybase, Informix and

Oracle are also available. Vendors competing for inclusion in TDPI were required to meet a set of standards developed by IRS, as well as the commercial marketplace.

Customers deal with the TDPI Project Office, directly with the vendors or with a combination of the two, if they prefer. Nine separate agreements make up the TDPI solution set. Each vendor sells only those products which are available on their GSA Federal Supply Schedule and at a discount from those schedule prices. Discounts from GSA Schedule prices are as high as 45% in some cases. This unique arrangement helps to ensure that only the newest, most technically advanced, commercially available products are offered to TDPI customers as quickly as practical.

Besides pricing discounts, TDPI offers other benefits over GSA schedule purchases. TDPI vendors are required to warrant their products as Y2K compliant; often provide additional or longer manufacturers' maintenance and warranties; and must provide for additional security to protect information such as taxpayer data. Customers with quantity orders can often be offered additional price discounts beyond what has already been negotiated.

TDPI has no paper catalog. Just as TDPI made use of electronic means of distributing information to vendors during the competitive stage of the acquisition, TDPI uses the Web to make information available to its customers, a first in the Treasury Department. TDPI can be found on the IRS HQ Insider pages (<http://www.hq.irs.gov>) under "Programs".

For the products available on TDPI, the competition has already been performed. In choosing each vendor, at least three schedule vendors competed. Purchases from TDPI involve a minimum of steps: 1) Generate the order list with price quotes, 2) Attach the quote and the funding information to a requisition that references the BPA Number, and 3) Contracting officer, Issue a delivery order to the contractor. There are no inter-agency fund transfers nor additional fees to IRS.

The TDPI page offers a wealth of easy to find information. Along with the obligatory "What's New" page, there is a FAQ (Frequently Asked Questions) page; a simplified two step ordering guide; a list of points of contact in the TDPI project office; and direct links to the sites where the vendors maintain their lists of available products. Some consideration was given to making use of GSA Advantage, an electronic ordering system sponsored by GSA. For various reasons, including the adoption of RTS by the

Service and the stage of development for the Advantage systems, TDPI decided to go with an online catalog system.

TDPI is officially a "pilot" program. The TDPI Project Office is preparing for an analysis of the pilot in December and January and welcomes your input, both positive and negative, regarding your experiences with TDPI. Those comments can be forwarded to the TDPI team's mailbox at TDPITEAM@CCMAIL.IRS.GOV.

The TDPI team includes Keith Holman, TDPI Project Manager; John Oesterle; Sunanta Hongnapa; Tom Blevins; Bob Blamires; and Brian Welch from the IRS IS Technical Contract Support Division. From IRS Procurement, team members include Jim Shotwell, Contracting Officer; Faith Hutcherson; Alycia Dougans Taylor; and Rita Duffin.

CONTRACTING VACANCIES IN TREASURY

Office of the Comptroller of the Currency - Procurement Analyst (OC-1102-14), Announcement # 97-133E. Location - Washington, DC. Call Human Resources at (202) 874-4590.

U.S. Mint - Contract Specialist (GS-1102-9/11). Announcement # AR0074. Location - Washington, DC. Call OPM at (919) 790-2822.

U.S. Secret Service - Contract Specialist (GS-1102-13) - 2 vacancies (pre and post award, respectively); Contract Specialist (GS-1102-12); Contract Specialist (Outstanding Scholar Program, GS-1102-5/7 -12); Information Resource Assistant (GS-301-4/8). Location - Washington, DC. Call Nancy Nifong-Kerlin at (202) 435-6940.



LOOK FOR MORE NEWS IN 1998!